

104TH CONGRESS
2D SESSION

S. 1559

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 1996

Referred to the Committee on the Judiciary

AN ACT

To make technical corrections to title 11, United States
Code, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bankruptcy Technical
5 Corrections Act of 1996”.

1 **SEC. 2. DEFINITIONS.**

2 Section 101 of title 11, United States Code, is
3 amended—

4 (1) by striking “In this title—” and inserting
5 “In this title:”;

6 (2) in paragraph (51B)—

7 (A) by inserting “family farms or” after
8 “other than”; and

9 (B) by striking all after “thereto” and in-
10 serting a semicolon;

11 (3) by reordering the paragraphs so that the
12 terms defined in the section are in alphabetical order
13 and redesignating the paragraphs accordingly;

14 (4) in paragraph (37)(B) (defining insured de-
15 pository institution), as redesignated by paragraph
16 (3) of this section, by striking “paragraphs (21B)
17 and (33)(A)” and inserting “paragraphs (23) and
18 (35)(A)”;

19 (5) in each paragraph, by inserting a heading,
20 the text of which is comprised of the term defined
21 in the paragraph;

22 (6) by inserting “The term” after each para-
23 graph heading; and

24 (7) by striking the semicolon at the end of each
25 paragraph and “; and” at the end of paragraphs
26 (35) and (38) and inserting a period.

1 **SEC. 3. ADJUSTMENT OF DOLLAR AMOUNTS.**

2 Section 104 of title 11, United States Code, is
3 amended by inserting “522(f)(3),” after “522(d),” each
4 place it appears.

5 **SEC. 4. COMPENSATION TO OFFICERS.**

6 Section 330(a) of title 11, United States Code, is
7 amended—

8 (1) in paragraph (1), by inserting “, or the
9 debtor’s attorney” after “1103”; and

10 (2) in paragraph (3), by striking “(3)(A) In”
11 and inserting “(3) In”.

12 **SEC. 5. EFFECT OF CONVERSION.**

13 Section 348(f)(2) of title 11, United States Code, is
14 amended by inserting “of the estate” after “property” the
15 first place it appears.

16 **SEC. 6. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

17 Section 365 of title 11, United States Code, is
18 amended—

19 (1) in subsection (c)—

20 (A) in paragraph (2), by adding “or” at
21 the end;

22 (B) in paragraph (3), by striking “or” at
23 the end and inserting a period; and

24 (C) by striking paragraph (4);

25 (2) in subsection (d), by striking paragraphs
26 (5) through (9); and

1 (3) in subsection (f)(1), by striking “; except
2 that” and all that follows through the end of the
3 paragraph and inserting a period.

4 **SEC. 7. ALLOWANCE OF ADMINISTRATIVE EXPENSES.**

5 Section 503(b)(4) of title 11, United States Code, is
6 amended by inserting “subparagraph (A), (B), (C), (D),
7 or (E) of” before “paragraph (3)”.

8 **SEC. 8. PRIORITIES.**

9 Section 507(a)(7) of title 11, United States Code, is
10 amended by inserting “unsecured” after “allowed”.

11 **SEC. 9. EXEMPTIONS.**

12 Section 522 of title 11, United States Code, is
13 amended—

14 (1) in subsection (f)(1)(A)—

15 (A) in the matter preceding clause (i), by
16 striking “; or” at the end; and

17 (B) in clause (ii), by striking the period at
18 the end and inserting “; or”; and

19 (2) in subsection (g)(2), by striking “subsection
20 (f)(2)” and inserting “subsection (f)(1)(B)”.

21 **SEC. 10. EXCEPTIONS TO DISCHARGE.**

22 Section 523(a)(3) of title 11, United States Code, is
23 amended by striking “or (6)” each place it appears and
24 inserting “(6), or (15)”;

1 **SEC. 11. PROTECTION AGAINST DISCRIMINATORY TREAT-**
 2 **MENT.**

3 Section 525(c) of title 11, United States Code, is
 4 amended—

5 (1) in paragraph (1), by inserting “student” be-
 6 fore “grant” the second place it appears; and

7 (2) in paragraph (2), by striking “the program
 8 operated under part B, D, or E of” and inserting
 9 “any program operated under”.

10 **SEC. 12. PROPERTY OF THE ESTATE.**

11 Section 541(b)(4)(B)(ii) of title 11, United States
 12 Code (as added by section 208(b) of the Bankruptcy Re-
 13 form Act of 1994), is amended by inserting “365 or” be-
 14 fore “542”.

15 **SEC. 13. LIMITATIONS ON AVOIDING POWERS.**

16 Subsection (g) of section 546 of title 11, United
 17 States Code, as added by section 222(a) of the Bank-
 18 ruptcy Reform Act of 1994 (108 Stat. 4129), is redesign-
 19 nated as subsection (h).

20 **SEC. 14. LIABILITY OF TRANSFEREE OF AVOIDED TRANS-**
 21 **FER.**

22 (a) IN GENERAL.—Section 550(c) of title 11, United
 23 States Code, is amended—

24 (1) in paragraph (1), by striking “avoided
 25 under section 547(b)” and inserting “avoidable
 26 under section 547”; and

1 (2) in the matter following paragraph (2), by
 2 striking “recover under subsection (a) from a trans-
 3 feree that is not an insider” and inserting “avoid
 4 under section 547 such transfer, to the extent that
 5 such transfer was made for the benefit of a trans-
 6 feree that was not an insider at the time of such
 7 transfer, or recover under subsection (a) from a
 8 transferee that was not an insider at the time of
 9 such transfer”.

10 (b) CONFORMING AMENDMENT.—Section 547(b) of
 11 title 11, United States Code, is amended by inserting “or
 12 in section 550(c) of this title” after “subsection (c) of this
 13 section”.

14 **SEC. 15. SETOFF.**

15 Section 553(b)(1) is amended by striking
 16 “362(b)(14)” and inserting “362(b)(17)”.

17 **SEC. 16. DISPOSITION OF PROPERTY OF THE ESTATE.**

18 Section 726(b) is amended by striking “1009,”.

19 **SEC. 17. GENERAL PROVISIONS.**

20 Section 901(a) of title 11, United States Code, is
 21 amended by inserting “1123(d),” after “1123(b),”.

22 **SEC. 18. PAYMENTS.**

23 Section 1226(b)(2) is amended—

24 (1) by striking “1202(c) of this title” and in-
 25 serting “586(b) of title 28”; and

1 (2) by striking “1202(d) of this title” and in-
2 serting “586(e)(1)(B) of title 28”.

3 **SEC. 19. DISCHARGE.**

4 Section 1228 of title 11, United States Code, is
5 amended by striking “1222(b)(10)” each place it appears
6 and inserting “1222(b)(9)”.

7 **SEC. 20. CONTENTS OF PLAN.**

8 Section 1322 of title 11, United States Code, is
9 amended—

10 (1) in subsection (b), by striking “(c)” and in-
11 serting “(d)”; and

12 (2) in subsection (e), by striking the comma
13 after “default” the second place it appears.

14 **SEC. 21. DISCHARGE.**

15 Section 1328(a) of title 11, United States Code, is
16 amended by striking all after “except any debt—” and in-
17 serting the following:

18 “(1) provided for under section 1322(b)(5) of
19 this title;

20 “(2) of the kind specified in paragraph (5), (8),
21 or (9) of section 523(a) of this title; or

22 “(3) for restitution, or a criminal fine, included
23 in a sentence on the debtor’s conviction of a crime.”.

1 **SEC. 22. BANKRUPTCY REVIEW COMMISSION.**

2 Section 604 of the Bankruptcy Reform Act of 1994
3 (108 Stat. 4147) is amended—

4 (1) by striking subsection (g); and

5 (2) by redesignating subsection (h) as sub-
6 section (g).

7 **SEC. 23. APPOINTMENT OF TRUSTEE.**

8 Section 1104(b) of title 11, United States Code, is
9 amended—

10 (1) by inserting “(1)” after “(b)”; and

11 (2) by adding at the end the following new
12 paragraph:

13 “(2)(A) If an eligible, disinterested trustee is elected
14 at a meeting of creditors under paragraph (1), the United
15 States trustee shall file a report certifying that election.

16 Upon the filing of a report under the preceding sentence—

17 “(i) the trustee elected under paragraph (1)
18 shall be considered to have been selected and ap-
19 pointed for purposes of this section; and

20 “(ii) the service of any trustee appointed under
21 subsection (d) shall terminate.

22 “(B) In the case of any dispute arising out of an elec-
23 tion under subparagraph (A), the court shall resolve the
24 dispute.”.

1 **SEC. 24. EXTENSIONS.**

2 Section 302(d)(3) of the Bankruptcy, Judges, United
3 States Trustees, and Family Farmer Bankruptcy Act of
4 1986 (28 U.S.C. 581 note) is amended—

5 (1) in subparagraph (A), in the matter follow-
6 ing clause (ii), by striking “October 1, 2002” and
7 inserting “October 1, 2012”; and

8 (2) in subparagraph (F)—

9 (A) in clause (i)—

10 (i) in subclause (II), by striking “Oc-
11 tober 1, 2002” and inserting “October 1,
12 2012”; and

13 (ii) in the matter following subclause
14 (II), by striking “October 1, 2003” and in-
15 serting “October 1, 2013”; and

16 (B) in clause (ii), in the matter following
17 subclause (II), by striking “October 1, 2003”
18 and inserting “October 1, 2013”.

19 **SEC. 25. KNOWING DISREGARD OF BANKRUPTCY LAW OR**
20 **RULE.**

21 Section 156(a) of title 18, United States Code, is
22 amended by striking “case under this title” and inserting
23 “case under title 11”.

24 **SEC. 26. BANKRUPTCY CASES AND PROCEEDINGS.**

25 Section 1334(d) of title 28, United States Code, is
26 amended—

1 (1) by striking “made under this subsection”
 2 and inserting “made under subsection (c)”; and
 3 (2) by striking “This subsection” and inserting
 4 “Subsection (c)”.

5 **SEC. 27. ENFORCEMENT OF CHILD SUPPORT.**

6 Section 362(b)(1) of title 11, United States Code, is
 7 amended by inserting before the semicolon the following:
 8 “(including the criminal enforcement of a judicial order
 9 requiring the payment of child support)”.

10 **SEC. 28. LIMITATION.**

11 Section 522 of title 11, United States Code, as
 12 amended by section 9, is further amended—

13 (1) in subsection (b)(2)(A), by inserting “sub-
 14 ject to subsection (n),” before “any property”; and
 15 (2) by adding at the end the following new sub-
 16 section:

17 “(n) As a result of electing under subsection
 18 (b)(2)(A) to exempt property under State or local law, a
 19 debtor may not exempt an aggregate interest of more than
 20 \$500,000 in value in—

21 “(1) real or personal property that the debtor
 22 or a dependent of the debtor uses as a residence;
 23 “(2) a cooperative that owns property that the
 24 debtor or a dependent of the debtor uses as a resi-
 25 dence; or

1 “(3) a burial plot for the debtor or a dependent
2 of the debtor.”.

3 **SEC. 29. STANDING TRUSTEES.**

4 (a) Section 330 of title 11 of the United States Code
5 is amended by adding to the end thereof the following:

6 “(e) Upon the request of a trustee appointed under
7 section 586(b) of title 28, and after all available adminis-
8 trative remedies have been exhausted, the district court
9 in the district in which the trustee resides shall have the
10 exclusive authority, notwithstanding section 326(b) of this
11 title, to review the determination of the actual, necessary
12 expenses of the standing trustee. In reviewing the deter-
13 mination, the district court shall accord substantial def-
14 erence to the determination made by the Attorney Gen-
15 eral, and may reverse the determination only if the Attor-
16 ney General has abused his or her discretion.”.

17 (b) Section 324 of title 11, United States Code, is
18 amended by adding to the end thereof the following:

19 “(c)(1) Notwithstanding any provision of section 586
20 of title 28, in the event the United States Trustee ceases
21 assigning cases to a trustee appointed under section
22 586(b) of title 28, the trustee, after exhausting all avail-
23 able administrative remedies, may seek judicial review of
24 the decision in the district court in the district in which
25 the trustee resides. The district court shall accord sub-

1 stantial deference to the determination made by the Unit-
 2 ed States Trustee, and may reverse the determination only
 3 if the United States Trustee has abused his or her discre-
 4 tion.

5 “(2) Notwithstanding any other provision of law, the
 6 district court may order interim relief under this para-
 7 graph only if the court concludes, viewing all facts most
 8 favorably to the United States Trustee, that there was no
 9 basis for the United States Trustee’s decision to cease as-
 10 signing cases to the trustee. The denial of a request for
 11 interim relief shall be final and shall not be subject to fur-
 12 ther review.”.

13 **SEC. 30. EFFECTIVE DATE OF AMENDMENTS.**

14 (a) IN GENERAL.—Except as provided in subsection
 15 (b) of this section, the amendments made by this Act shall
 16 apply to all cases pending on the date of enactment of
 17 this Act or commenced on or after the date of enactment
 18 of this Act.

19 (b) EXCEPTION.—The amendment made by section
 20 2(2)(B) of this Act shall apply to all cases commenced
 21 on or after the date of enactment of this Act.

Passed the Senate August 2, 1996.

Attest:

GARY SISCO,
Secretary.